

Incumbent Worker State Activity Funding

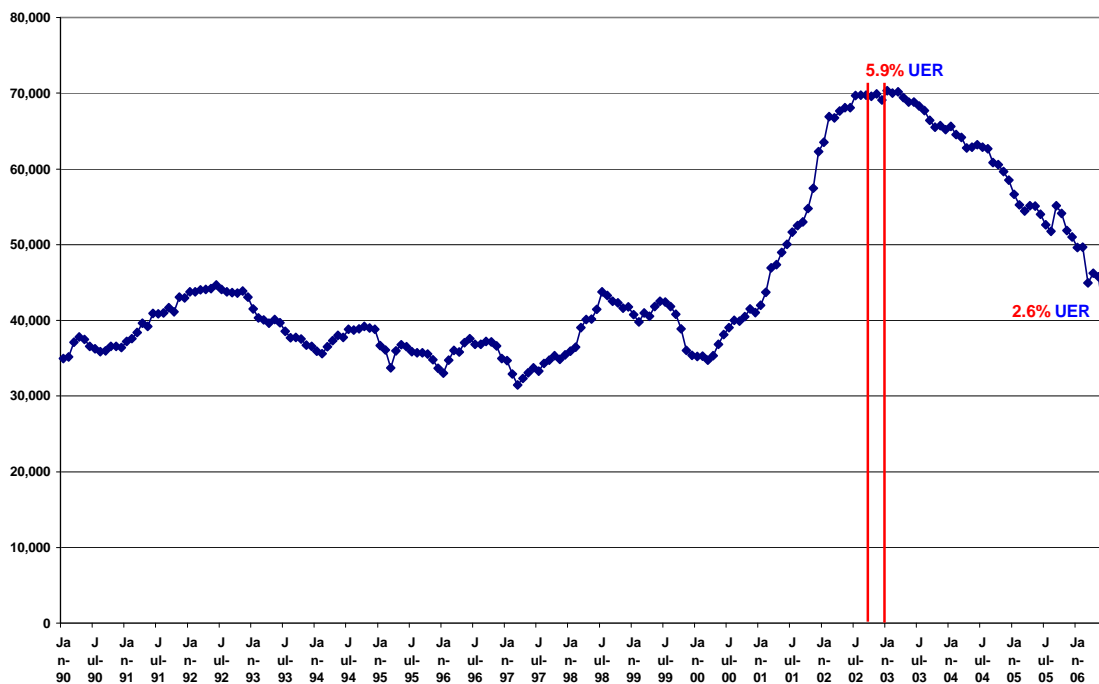
Utah's job growth advanced at the top end of the historic scale; unemployment fell to a new low. It is producing a powerful boost to the state in terms of new jobs, increasing incomes and strong tax revenues. **Rarely does the overall picture get any better than this.**

Utah's economy grew by 5 percent or better for 2006. Five percent means that at least 57,000 new jobs were created. Wage growth was at 5.4 percent, the best increase since 1992.

Prosperity was evenly-spread though out the state. All regions are adding jobs at a good pace.

What can we expect in 2007? More of the same, but not quite as fast. Employment growth above 5 percent is hard to sustain. The longer you go with low unemployment rates, the more concern there is about the market's ability to supply additional workers. In-migration should augment Utah's labor force; odds still favor a slowing in labor force growth for 2007. Employment growth of 4.7 percent is expected.

Trend in number of unemployed persons in Utah



Recommendations:

- Set aside 40 percentage of WIA Adult and Dislocated Worker funds for Incumbent Worker Training
 - Economic Outlook
 - Results from January – February open solicitation
 - Received 26 proposals totaling \$1,749,189
 - Ranging from \$825 to \$581,000
 - Average \$69,698 request
- Establish an Incumbent Worker suspense account
 - Funds will remain in this account until obligated to employers, at which time the funds will move to Statewide Activity.
 - Funds not obligated out of the suspense account can be allocated to the regions or opened for a second round of proposals.
- Regional Council's take on an Incumbent Worker marketing role to businesses in their areas.

Selection Committee:

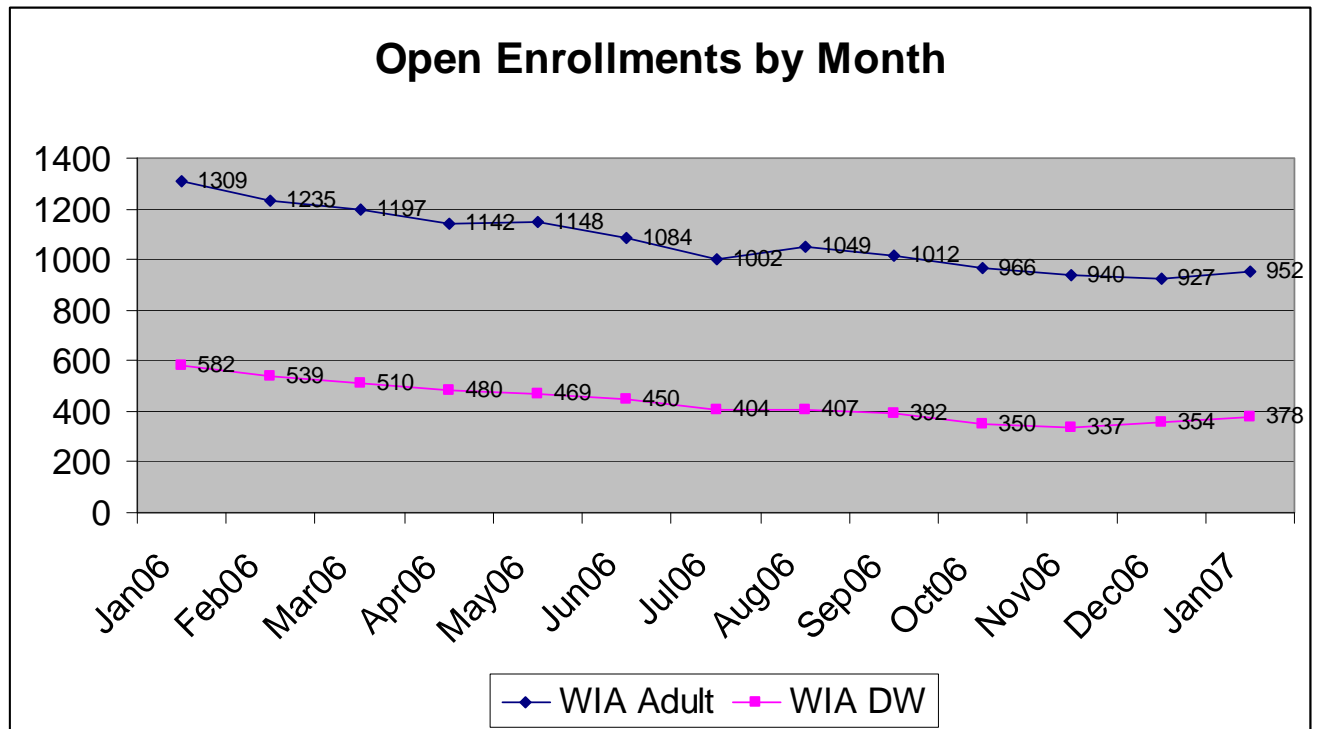
- Program
- Economist
- Unemployment Insurance
- Governor's Office of Economic Development

Supporting Information:

As of 1/17/07

Statewide	Available	Obligations	%	Expenditures	%
WIA Adult*	\$ 3,296,902	\$ 2,244,302	68%	\$ 884,654	27%
WIA Dislocated Worker*	\$ 2,751,935	\$ 1,146,297	42%	\$ 398,062	14%
WIA Youth*	\$ 5,643,443	\$ 4,528,255	80%	\$ 1,378,209	24%
TOTAL	\$ 19,041,688	\$ 9,828,863	52%	\$ 3,452,684	18%

WIA Adult and Dislocated Worker Caseload



WIA PY 2006/SFY 2007 ALLOCATIONS

CURRENT ALLOCATIONS WITH \$700,000 FOR INCUMBENT WORKER							
SFY 2007 WIA ALLOCATIONS	NORTH	CENTRAL	MTNLAND	EASTERN	WESTERN	TOTAL	INCUMBENT WORKER
ADULT PY06/FFY07 ALLOCATION	\$ 575,900	\$1,123,030	\$ 301,171	\$232,333	\$ 217,524	\$ 2,449,958	\$ 350,000
DW PY 2006/FFY 2007 ALLOCATION	\$ 584,077	\$1,040,279	\$ 346,693	\$101,323	\$ 192,962	\$ 2,265,334	\$ 350,000
YOUTH PY 2006 ALLOCATION	\$1,111,803	\$2,054,352	\$ 743,704	\$370,526	\$ 396,945	\$ 4,677,330	\$ -
TOTAL SFY 2006 WIA ALLOCATIONS	\$2,271,780	\$4,217,661	\$1,391,568	\$704,182	\$ 807,431	\$ 9,392,622	\$ 700,000
CURRENT ALLOCATIONS WITH 10% FOR INCUMBENT WORKER							
SFY 2007 WIA ALLOCATIONS	NORTH	CENTRAL	MTNLAND	EASTERN	WESTERN	TOTAL	INCUMBENT WORKER
ADULT PY06/FFY07 ALLOCATION	\$ 573,449	\$1,118,252	\$ 299,889	\$231,344	\$ 216,599	\$ 2,439,533	\$ 366,069
DW PY 2006/FFY 2007 ALLOCATION	\$ 554,013	\$ 986,732	\$ 328,848	\$ 96,107	\$ 183,030	\$ 2,148,730	\$ 529,391
YOUTH PY 2006 ALLOCATION	\$1,111,803	\$2,054,352	\$ 743,704	\$370,526	\$ 396,945	\$ 4,677,330	\$ -
TOTAL SFY 2006 WIA ALLOCATIONS	\$2,239,265	\$4,159,336	\$1,372,441	\$697,977	\$ 796,574	\$ 9,265,593	\$ 895,460
CURRENT ALLOCATIONS WITH 20% FOR INCUMBENT WORKER							
SFY 2007 WIA ALLOCATIONS	NORTH	CENTRAL	MTNLAND	EASTERN	WESTERN	TOTAL	INCUMBENT WORKER
ADULT PY06/FFY07 ALLOCATION	\$ 517,521	\$1,009,190	\$ 270,641	\$208,782	\$ 195,474	\$ 2,201,608	\$ 732,077
DW PY 2006/FFY 2007 ALLOCATION	\$ 465,292	\$ 828,714	\$ 276,185	\$ 80,716	\$ 153,719	\$ 1,804,626	\$ 1,058,782
YOUTH PY 2006 ALLOCATION	\$1,111,803	\$2,054,352	\$ 743,704	\$370,526	\$ 396,945	\$ 4,677,330	\$ -
TOTAL SFY 2006 WIA ALLOCATIONS	\$2,094,616	\$3,892,256	\$1,290,530	\$660,024	\$ 746,138	\$ 8,683,564	\$ 1,790,859
CURRENT ALLOCATIONS WITH 30% FOR INCUMBENT WORKER							
SFY 2007 WIA ALLOCATIONS	NORTH	CENTRAL	MTNLAND	EASTERN	WESTERN	TOTAL	INCUMBENT WORKER
ADULT PY06/FFY07 ALLOCATION	\$ 461,594	\$ 900,128	\$ 241,393	\$186,219	\$ 174,349	\$ 1,963,683	\$ 1,098,116
DW PY 2006/FFY 2007 ALLOCATION	\$ 376,570	\$ 670,695	\$ 223,522	\$ 65,325	\$ 124,408	\$ 1,460,520	\$ 1,588,173
YOUTH PY 2006 ALLOCATION	\$1,111,803	\$2,054,352	\$ 743,704	\$370,526	\$ 396,945	\$ 4,677,330	\$ -
TOTAL SFY 2006 WIA ALLOCATIONS	\$1,949,967	\$3,625,175	\$1,208,619	\$622,070	\$ 695,702	\$ 8,101,533	\$ 2,686,289
CURRENT ALLOCATIONS WITH 40% FOR INCUMBENT WORKER							
SFY 2007 WIA ALLOCATIONS	NORTH	CENTRAL	MTNLAND	EASTERN	WESTERN	TOTAL	INCUMBENT WORKER
ADULT PY06/FFY07 ALLOCATION	\$ 405,666	\$ 791,066	\$ 212,145	\$163,656	\$ 153,225	\$ 1,725,758	\$ 1,464,154
DW PY 2006/FFY 2007 ALLOCATION	\$ 287,849	\$ 512,677	\$ 170,860	\$ 49,934	\$ 95,097	\$ 1,116,417	\$ 2,117,564
YOUTH PY 2006 ALLOCATION	\$1,111,803	\$2,054,352	\$ 743,704	\$370,526	\$ 396,945	\$ 4,677,330	\$ -
TOTAL SFY 2006 WIA ALLOCATIONS	\$1,805,318	\$3,358,095	\$1,126,709	\$584,116	\$ 645,267	\$ 7,519,505	\$ 3,581,719
CURRENT ALLOCATIONS WITH 50% FOR INCUMBENT WORKER							
SFY 2007 WIA ALLOCATIONS	NORTH	CENTRAL	MTNLAND	EASTERN	WESTERN	TOTAL	INCUMBENT WORKER
ADULT PY06/FFY07 ALLOCATION	\$ 349,738	\$ 682,004	\$ 182,897	\$141,093	\$ 132,100	\$ 1,487,832	\$ 1,830,193
DW PY 2006/FFY 2007 ALLOCATION	\$ 199,128	\$ 354,659	\$ 118,197	\$ 34,544	\$ 65,786	\$ 772,314	\$ 2,646,956
YOUTH PY 2006 ALLOCATION	\$1,111,803	\$2,054,352	\$ 743,704	\$370,526	\$ 396,945	\$ 4,677,330	\$ -
TOTAL SFY 2006 WIA ALLOCATIONS	\$1,660,669	\$3,091,015	\$1,044,798	\$546,163	\$ 594,831	\$ 6,937,476	\$ 4,477,149

NOTE: A 20% transfer of funds from DW to Adult is reflected in all allocation models as well as \$1,000,000 for Core Services.